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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
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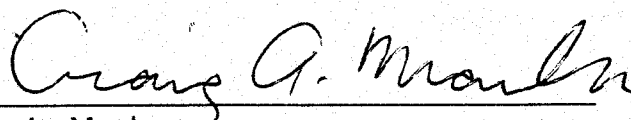
IN THE MATTER OF THE APPLICATION
OF SUN CITY WATER COMPANY AND
SUN CITY WEST UTILITIES COMPANY
FOR APPROVAL OF CENTRAL ARIZONA
PROJECT WATER UTILIZATION PLAN
AND FOR AN ACCOUNTING ORDER
AUTHORIZING A GROUNDWATER
SAVINGS FEE AND RECOVERY OF
DEFERRED CENTRAL ARIZONA
PROJECT EXPENSES.

DOCKET NO. W-01656A-98-0577
DOCKET NO. SW-02334A-98-0577

**NOTICE OF FILING TARIFFS
FOR WATER SERVICE SURCHARGE**

Citizens Utilities Company, the parent company of the applicants in this proceeding, hereby provides notice of filing of tariffs for a water service surcharge known as the "Groundwater Savings Fee" as authorized in Arizona Corporation Commission Decision No. 62293, dated February 1, 2000.

RESPECTFULLY SUBMITTED on February 15, 2000.


Craig Marks
Associate General Counsel

Original and ten copies filed this
February 15, 2000, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 Copies of the foregoing mailed/delivered
2 this February 15, 2000, to:

3 Jerry Rudibaugh
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

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8 Arizona Corporation Commission
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10 Phoenix, Arizona 85007

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By: 

Joann Zychlewicz

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Sun City West Utilities Company
(NAME OF COMPANY)

CANCELING

SHEET NO.

Sun City West, Arizona and Vicinity
(NAME OF CITY)

Water Service

Groundwater Savings Fee

Applicability

Applicable to all customers of the Company receiving service under General Water Rate G-1 or Construction Water Service CW-1.

Residential Users

	<u>Deferred Costs</u>	<u>Annual Costs</u>	<u>Total Charge</u>
Flat Rate per unit per month	\$0.4147	\$0.8718	\$1.29

Other Users

	<u>Deferred Costs</u>	<u>Annual Costs</u>	<u>Total Charge</u>
All Usage per 1,000 gallons per month	\$0.0504	\$0.1060	\$0.1564

Terms and Conditions

The Deferred Costs portion of the Groundwater Savings Fee shall be in effect for a sixty-month period from March 2000 through February 2005. The Annual Costs portion shall be adjusted each year to reflect current actual CAP costs.

Over Recovery of Deferred Costs Portion of Groundwater Savings Fee

The Deferred Costs portions of the Groundwater Savings Fee for Sun City West Utilities were developed, based on a revenue-requirement analysis to recover, the following amounts:

Residential customers	\$ 6,980 X 60 months = \$ 418,800
Commercial customers	\$ 1,279 X 60 months = <u>76,740</u>
Total	\$ <u>495,540</u>

ISSUED	February	10	2000	EFFECTIVE	March	1	2000
	MONTH	DAY	YEAR		MONTH	DAY	YEAR

ISSUED BY	Ray L. Jones, P.E.	Vice President and General Manager
	NAME OF OFFICER	TITLE

15626 North Del Webb Boulevard, Sun City, Arizona 85351
ADDRESS OF OFFICER

Sun City West Utilities Company
(NAME OF COMPANY)

CANCELING

SHEET NO.

Sun City West, Arizona and Vicinity
(NAME OF CITY)

Water Service

Groundwater Savings Fee

Terms and Conditions Cont'd

Over-Recovery of Deferred Costs Portion of Groundwater Savings Fee

Sun City West Utilities will track the monthly revenues received in connection with the Deferred Costs portions of the Groundwater Savings Fee. At the end of the sixty-month collection period, the cumulative total for Sun City West Utilities will be compared with the \$495,540 computed above. To the extent a surplus has been recovered, that amount will be placed into an appropriate regulatory liability account on Sun City West Utilities' balance sheet for future regulatory disposition, and the Director of Utilities will be appropriately notified by letter. Should the cumulative surcharge revenues be less than the amounts identified above, the deficiency will be absorbed by Sun City West Utilities.

Annual Adjustment of Annual Costs Portion of Groundwater Savings Fee

At the close of each calendar year, Sun City West Utilities will compute the surcharge revenues for on-going CAP-water costs billed and received during the previous twelve months and compare such totals with the actual CAP-water payments applicable to the same period. Any surplus or deficit relating to differences between estimated and actual customers, sales, or CAP payments will be included in the computation of the new Annual Costs portion of the Groundwater Savings Fee for the coming year, beginning with customer billings each March 1st. The new rates will be developed as follows:

Surcharge revenues during the preceding calendar year

- Actual CAP payments (including MWD credits) applicable to preceding year
- = (+) surplus or (-) deficit
- + Estimated CAP payments for coming year (M&I +delivery-MWD credits)
- = Total target amount to recover during the coming March - February

The above computed target amount will be allocated between residential and commercial customers on the basis of usage projected for the future March – February period. Residential customers will be billed a fixed monthly surcharge based on projected customer bill numbers, with commercial customers billed on a per 1,000 gallon usage basis, based on consumption forecasted for the same March – February billing period.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts which are assessed directly or indirectly on the basis of revenues derived from this Schedule.

ISSUED	February	10	2000	EFFECTIVE	March	1	2000
	MONTH	DAY	YEAR		MONTH	DAY	YEAR

ISSUED BY

Ray L. Jones, P.E.

Vice President and General Manager

NAME OF OFFICER

TITLE

15626 North Del Webb Boulevard, Sun City, Arizona 85351

ADDRESS OF OFFICER

Sun City Water Company
(NAME OF COMPANY)

CANCELING

SHEET NO.

Sun City, Arizona and Vicinity
(NAME OF CITY)

Water Service

Groundwater Savings Fee

Applicability

Applicable to all customers of the Company receiving service under General Water Rate G-1, Irrigation Water Rate I-1 or Public Interruptible Water Service Rate PIR-1.

Residential Users

	<u>Deferred Costs</u>	<u>Annual Costs</u>	<u>Total Charge</u>
Flat Rate per unit per month	\$0.3898	\$0.8222	\$1.21

Other Users

	<u>Deferred Costs</u>	<u>Annual Costs</u>	<u>Total Charge</u>
All Usage per 1,000 gallons per month	\$0.0387	\$0.0816	\$0.1203

Terms and Conditions

The Deferred Costs portion of the Groundwater Savings Fee shall be in effect for a sixty-month period from March 2000 through February 2005. The Annual Costs portion shall be adjusted each year to reflect current actual CAP costs.

Over-Recovery of Deferred Costs Portion of Groundwater Savings Fee

The Deferred Costs portions of the Groundwater Savings Fee for Sun City Water were developed, based on a revenue-requirement analysis, to recover the following amounts:

Residential customers	\$ 11,513 X 60 months = \$ 690,780
Commercial customers	\$ 3,023 X 60 months = <u>181,380</u>
Total	\$ <u>872,160</u>

ISSUED	February	10	2000	EFFECTIVE	March	1	2000
	MONTH	DAY	YEAR		MONTH	DAY	YEAR

ISSUED BY	Ray L. Jones, P.E.	Vice President and General Manager
	NAME OF OFFICER	TITLE

15626 North Del Webb Boulevard, Sun City, Arizona 85351
ADDRESS OF OFFICER

ORIGINAL

SHEET NO. 8a

Sun City Water Company
(NAME OF COMPANY)

CANCELING

SHEET NO.

Sun City, Arizona and Vicinity
(NAME OF CITY)**Water Service****Groundwater Savings Fee****Terms and Conditions Cont'd****Over-Recovery of Deferred Costs Portion of Groundwater Savings Fee**

Sun City Water will track the monthly revenues received in connection with the Deferred Costs portions of the Groundwater Savings Fee. At the end of the sixty-month collection period, the cumulative total received will be compared with the \$ 872,160 computed above. To the extent a surplus has been recovered, that amount will be placed into an appropriate regulatory liability account on Sun City Water's balance sheet for future regulatory disposition, and the Director of Utilities will be appropriately notified by letter. Should the cumulative surcharge revenues be less than the amounts identified above, the deficiency will be absorbed by Sun City Water.

Annual Adjustment of Annual Costs Portion of Groundwater Savings Fee

Following the close of each calendar year, Sun City Water will compute the revenues received from the Annual Costs portion of the Groundwater Savings Fee during the previous twelve months and compare the total with the actual payments made for CAP-water during the same period. Any surplus or deficit relating to differences between estimated and actual customers, sales, or CAP payments will be included in the computation of the new Annual Costs portion of the Groundwater Savings Fee for the coming year, beginning with customer billings each March 1st. The new rates will be developed as follows:

Surcharge revenues during the preceding calendar year.

- Actual CAP payments (including MWD credits) applicable to preceding year
- = (+) surplus or (-) deficit
- + Estimated CAP payments for coming year (M&I + delivery - MWD credits)
- = Total target amount to recover during the coming March - February

The above computed target amount will be allocated between residential and commercial customers on the basis of usage projected for the future March - February period. Residential customers will be billed a fixed monthly surcharge based on projected customer bill numbers, with commercial customers billed on a per 1,000 gallon usage basis, based on consumption forecasted for the same March - February billing period.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts which are assessed directly or indirectly on the basis of revenues derived from this Schedule.

ISSUED	February	10	2000	EFFECTIVE	March	1	2000
	MONTH	DAY	YEAR		MONTH	DAY	YEAR

ISSUED BY

Ray L. Jones, P.E.

Vice President and General Manager

NAME OF OFFICER

TITLE

15626 North Del Webb Boulevard, Sun City, Arizona 85351

ADDRESS OF OFFICER



Decision No. 62293